



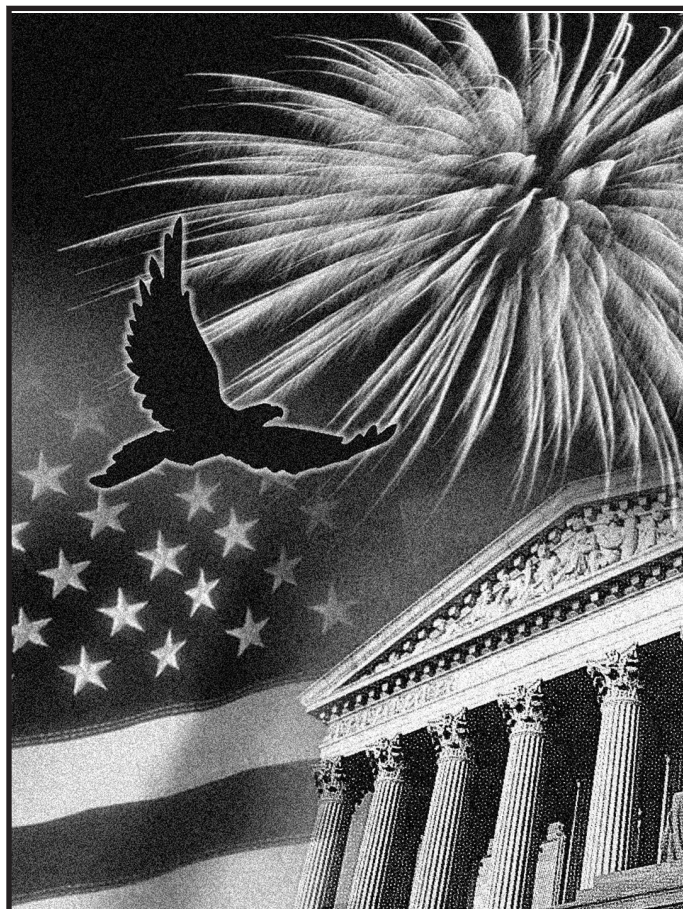
Department of the Treasury
Internal Revenue Service

Publication 929

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Tax Rules for Children and Dependents

For use in preparing
2019 Returns



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What's New

The alternative minimum tax (AMT) exemption amount no longer limited. For tax years beginning after 2017, the AMT exemption amount for certain children with unearned income is no longer limited to their earned income plus the additional AMT exemption amount.

Election to tax the unearned income of certain children at the parent's tax rate. For tax years 2018 and 2019, you can elect to calculate the tax on the unearned income of certain children using either the brackets and rates for estates and trusts or the parent's tax rate. If you make this election for 2019, include a statement with your return specifying "election to modify tax on unearned income." The statement can be made on the return (for example, on line 7 or at the top of Form 8615) or on an attachment filed with the return.

If you want to make this election for tax year 2018, you will need to file an amended return, Form 1040-X. See [IRS.gov/Form1040X](https://www.irs.gov/Form1040X) for more information about amending a tax return. If you make this election, include a statement or an attachment with your amended return specifying "election to modify tax of unearned income."

For more information about electing to use the parent's tax rate, see [2019 Tentative Tax Based on the Tax Rate of Your Parent](#), later.

Standard deduction amounts increased. For 2019, the standard deduction amount has been increased for all filers. The amounts are:

- Single or Married filing separately — \$12,200,
- Married filing jointly or Qualifying Widow(er) — \$24,400, and
- Head of household — \$18,350.

For married taxpayers who are age 65 or over or blind, the standard deduction is increased an additional amount of \$1,300 (\$1,650 if head of household or single).

Due to the increase in the standard deduction and reduced usage of itemized deductions, if you are employed, you may want to consider completing a new Form W-4, Employee's Withholding Certificate, and giving it to your employer.

Form W-4 redesigned. The 2020 Form W-4 has been redesigned so that you can no longer adjust your withholding using withholding allowances. Instead, you can increase or decrease your income tax withholding by providing your employer with adjustments that account for credits, deductions, other income, and other circumstances.

For example, to reduce the amount of withholding, you can enter an amount for the child tax credit, the credit for other dependents, and deductions other than the standard deduction. You can increase your withholding by entering income amounts not otherwise subject to withholding. You can also increase your withholding by requesting that a specific additional amount be withheld each pay period. See Form W-4 for more information.

Future Developments

For the latest information about developments related to Pub. 929, such as legislation enacted after it was published, go to [IRS.gov/Pub929](https://www.irs.gov/pub929).

Reminders

Taxpayer identifying number (TIN). Dependents who are required to file a tax return must have a TIN. A TIN may be a social security number (SSN), an individual taxpayer identification number (ITIN), or an adoption taxpayer identification number (ATIN).

Social security number (SSN). The Social Security Administration (SSA) issues SSNs to citizens and nationals of the United States and to certain eligible aliens. To apply for an SSN, file Form SS-5, Application for a Social Security Card, with the SSA. You can go to [SSA.gov](https://www.ssa.gov) for more information.

Individual taxpayer identification number (ITIN). The IRS will issue an ITIN to a nonresident or resident alien

who doesn't have and isn't eligible to get an SSN. To apply for an ITIN, file Form W-7, Application for IRS Individual Taxpayer Identification Number, with the IRS. It takes 6–10 weeks to get an ITIN. The ITIN is entered wherever an SSN is requested on a tax return. If you are a nonresident alien applying for an ITIN to file a tax return, you must generally attach your original, completed return to Form W-7 to get an ITIN. See the Form W-7 instructions for more information.

An ITIN is for tax use only. It doesn't entitle you to social security benefits or change your employment or immigration status under U.S. law. If you were assigned an ITIN before January 1, 2013, or if you have an ITIN that you haven't included on a tax return in the last 3 consecutive years, you may need to renew it. For more information, see the Instructions for Form W-7.

Net investment income tax (NIIT). A child whose tax is figured on Form 8615 may be subject to the NIIT. See the Instructions for Form 8960, Net Investment Income Tax—Individuals, Estates, and Trusts, for more information.

Photographs of missing children. The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

Part 1 of this publication explains the filing requirements and other tax information for individuals who can be claimed as a dependent on another person's tax return.

Part 2 explains how to report and figure the tax on unearned income of certain children (whether or not they can be claimed as dependents).

Definitions. Many of the terms used in this publication, such as “dependent,” “earned income,” and “unearned income,” are defined in the *Glossary* at the back of this publication.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or, you can write to: Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms, instructions, and publications. We can't answer tax questions sent to the above address.

Tax questions. If you have a tax question not answered by this publication or [How To Get Tax Help](#) at the end of this publication, go to the IRS Interactive Tax

Assistant page at [IRS.gov/Help/ITA](https://www.irs.gov/Help/ITA) where you can find topics using the search feature or by viewing the categories listed.

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Useful Items

You may want to see:

Publication

- ☐ **501** Dependents, Standard Deduction, and Filing Information
- ☐ **505** Tax Withholding and Estimated Tax
- ☐ **550** Investment Income and Expenses

Form (and Instructions)

- ☐ **W-4** Employee's Withholding Certificate
- ☐ **8615** Tax for Certain Children Who Have Unearned Income
- ☐ **8814** Parents' Election To Report Child's Interest and Dividends

See [How To Get Tax Help](#) near the end of this publication for information about getting these publications and forms.

Part 1.
Rules for All Dependents

**Terms you may need to know
(see Glossary):**

- Dependent
- Earned income
- Exemption
- Gross income
- Itemized deductions
- Standard deduction
- Unearned income

This part of the publication discusses the filing requirements for dependents, who is responsible for a child's return, how to figure a dependent's standard deduction, and whether a dependent can claim exemption from federal income tax withholding.

Filing Requirements

Whether a dependent has to file a return generally depends on the amount of the dependent's earned and unearned income and whether the dependent is married, is age 65 or older, or is blind.



A dependent may have to file a return even if his or her income is less than the amount that would normally require a return. See [Other Filing Requirements](#), later.

The following sections apply to dependents with:

- Earned income only,
- Unearned income only, and
- Both earned and unearned income.

To find out whether a dependent must file, read the section that applies, or use Table 1.

Earned Income Only

A dependent whose gross income is only earned income must file a return if the gross income is more than the amount listed in the following table.

Marital Status	Amount
Single	
Under 65 and not blind	\$12,200
Either 65 or older or blind	\$13,850
65 or older and blind	\$15,500
Married*	
Under 65 and not blind	\$12,200
Either 65 or older or blind	\$13,500
65 or older and blind	\$14,800

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file a return if the dependent has \$5 or more of gross income (earned and/or unearned).

Example. William is 16. His mother claims him as a dependent on her income tax return. He worked part time on weekends during the school year and full time during the summer. He earned \$12,500 in wages. He didn't have any unearned income.

He must file a tax return because he has earned income only and his gross income is more than \$12,200. If he is blind, he doesn't have to file a return because his gross income isn't more than \$13,850.

Unearned Income Only

A dependent whose gross income is only unearned income must file a return if the gross income is more than the amount listed in the following table.

Table 1. 2019 Filing Requirements for Dependents

If your parent (or someone else) can claim you as a dependent, use this table to see if you must file a return.

See the definitions of “dependent,” “earned income,” “unearned income,” and “gross income” in the *Glossary*.

Single dependents—Were you **either** age 65 or older **or** blind?

☐ **No.** You must file a return if **any** of the following apply.

- Your unearned income was over \$1,100.
- Your earned income was over \$12,200.
- Your gross income was more than the **larger** of—
 - \$1,100, or
 - Your earned income (up to \$11,850) plus \$350.

☐ **Yes.** You must file a return if any of the following apply.

- Your unearned income was over \$2,750 (\$4,400 if 65 or older **and** blind).
- Your earned income was over \$13,850 (\$15,500 if 65 or older **and** blind).
- Your gross income was more than the **larger** of—
 - \$2,750 (\$4,400 if 65 or older **and** blind), or
 - Your earned income (up to \$11,850) plus \$2,000 (\$3,650 if 65 or older **and** blind).

Married dependents—Were you **either** age 65 or older **or** blind?

☐ **No.** You must file a return if **any** of the following apply.

- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
- Your unearned income was over \$1,100.
- Your earned income was over \$12,200.
- Your gross income was more than the **larger** of—
 - \$1,100, or
 - Your earned income (up to \$11,850) plus \$350.

☐ **Yes.** You must file a return if any of the following apply.

- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
- Your unearned income was over \$2,400 (\$3,700 if 65 or older **and** blind).
- Your earned income was over \$13,500 (\$14,800 if 65 or older **and** blind).
- Your gross income was more than the **larger** of—
 - \$2,400 (\$3,700 if 65 or older **and** blind), or
 - Your earned income (up to \$11,850) plus \$1,650 (\$2,950 if 65 or older **and** blind).

Marital Status	Amount
Single	
Under 65 and not blind	\$1,100
Either 65 or older or blind	\$2,750
65 or older and blind	\$4,400
Married*	
Under 65 and not blind	\$1,100
Either 65 or older or blind	\$2,400
65 or older and blind	\$3,700

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file a return if the dependent has \$5 or more of gross income (earned and/or unearned).

Example. Sarah is 18 and single. Her parents can claim her as a dependent on their income tax return. She received \$1,970 of taxable interest and dividend income. She didn't work during the year.

She must file a tax return because she has unearned income only and her gross income is more than \$1,100. If she is blind, she doesn't have to file a return because she has unearned income only and her gross income isn't more than \$2,750.

Election to report child's unearned income on parent's return. A parent of a child under age 19 (or under age 24 if a full-time student) may be able to elect to include the child's interest and dividend income on the parent's return. See [Parent's Election To Report Child's Interest and Dividends](#) in *Part 2*. If the parent makes this election, the child doesn't have to file a return.

Both Earned and Unearned Income



A dependent who has both earned and unearned income must generally file a return if the dependent's gross income is more than line 5 of the following worksheet.

Filing Requirement Worksheet for Most Dependents

1. Enter dependent's earned income plus \$350
2. Minimum amount \$1,100
3. Compare lines 1 and 2. Enter the **larger** amount
4. Maximum amount 12,200
5. Compare lines 3 and 4. Enter the **smaller** amount
6. Enter the dependent's gross income. If line 6 is more than line 5, the dependent **must file** an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more.

Filled-in Example 2 Filing Requirement Worksheet for Most Dependents

1. Enter dependent's earned income plus \$350 \$ 3,100
2. Minimum amount 1,100
3. Compare lines 1 and 2. Enter the **larger** amount 3,100
4. Maximum amount 12,200
5. Compare lines 3 and 4. Enter the **smaller** amount 3,100
6. Enter the dependent's gross income. If line 6 is more than line 5, the dependent **must file** an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more. \$ 3,350

Example 1. Joe is 20, single, not blind, and a full-time college student. He doesn't provide more than half of his own support, and his parents claim him as a dependent on their income tax return. He received \$200 taxable interest income and earned \$2,750 from a part-time job.

He doesn't have to file a tax return because his gross income of \$2,950 (\$200 interest plus \$2,750 in wages) isn't more than \$3,100, the amount on line 5 of his filled-in (Example 1) Filing Requirement Worksheet for Most Dependents.

Filled-in Example 1 Filing Requirement Worksheet for Most Dependents

1. Enter dependent's earned income plus \$350 \$ 3,100
2. Minimum amount 1,100
3. Compare lines 1 and 2. Enter the **larger** amount 3,100
4. Maximum amount 12,200
5. Compare lines 3 and 4. Enter the **smaller** amount 3,100
6. Enter the dependent's gross income. If line 6 is more than line 5, the dependent **must file** an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more. \$ 2,950

Example 2. The facts are the same as in *Example 1*, except that Joe had \$600 taxable interest income.

He must file a tax return because his gross income of \$3,350 (\$600 interest plus \$2,750 wages) is more than \$3,100, the amount on line 5 of his filled-in (Example 2) worksheet.



Age 65 or older or blind. A dependent who is age 65 or older or blind must file a return if his or her gross income is more than line 7 of the following worksheet.

Filing Requirement Worksheet for Dependents Who Are Age 65 or Older or Blind

1. Enter dependent's earned income plus \$350
2. Minimum amount \$1,100
3. Compare lines 1 and 2. Enter the **larger** amount
4. Maximum amount 12,200
5. Compare lines 3 and 4. Enter the **smaller** amount
6. Enter the amount from the following table that applies to the dependent

Marital Status	Amount
Single	
Either 65 or older or blind	\$1,650
65 or older and blind	\$3,300
Married	
Either 65 or older or blind	\$1,300
65 or older and blind	\$2,600

7. Add lines 5 and 6. Enter the total
8. Enter the dependent's gross income. If line 8 is more than line 7, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent **must file** an income tax return if line 8 is \$5 or more

Example 3. The facts are the same as in *Example 2*, except that Joe is also blind. He doesn't have to file a return because his gross income of \$3,350 isn't more than \$4,750, the amount on line 7 of his filled-in (Example 3) Filing Requirement Worksheet for Dependents Who Are Age 65 or Older or Blind (shown next).

Filled-in Example 3
Filing Requirement Worksheet
for Dependents
Who Are Age 65 or Older or Blind

1. Enter dependent's earned income plus \$350	\$3,100														
2. Minimum amount	1,100														
3. Compare lines 1 and 2. Enter the larger amount	3,100														
4. Maximum amount	12,200														
5. Compare lines 3 and 4. Enter the smaller amount	3,100														
6. Enter the amount from the following table that applies to the dependent	1,650														
<table> <tr> <th style="text-align: left;">Marital Status</th><th style="text-align: left;">Amount</th></tr> <tr> <td>Single</td><td></td></tr> <tr> <td> Either 65 or older or blind</td><td style="text-align: right;">\$1,650</td></tr> <tr> <td> 65 or older and blind</td><td style="text-align: right;">\$3,300</td></tr> <tr> <td>Married</td><td></td></tr> <tr> <td> Either 65 or older or blind</td><td style="text-align: right;">\$1,300</td></tr> <tr> <td> 65 or older and blind</td><td style="text-align: right;">\$2,600</td></tr> </table>		Marital Status	Amount	Single		Either 65 or older or blind	\$1,650	65 or older and blind	\$3,300	Married		Either 65 or older or blind	\$1,300	65 or older and blind	\$2,600
Marital Status	Amount														
Single															
Either 65 or older or blind	\$1,650														
65 or older and blind	\$3,300														
Married															
Either 65 or older or blind	\$1,300														
65 or older and blind	\$2,600														
7. Add lines 5 and 6. Enter the total	4,750														
8. Enter the dependent's gross income. If line 8 is more than line 7, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 8 is \$5 or more	\$3,350														

Other Filing Requirements

Some dependents may have to file a tax return even if their income is less than the amount that would normally require them to file a return.

A dependent must file a tax return if he or she owes any other taxes, such as:

- Social security and Medicare taxes on tips not reported to his or her employer or on wages received from an employer who didn't withhold these taxes;
- Uncollected social security and Medicare or railroad retirement taxes on tips reported to his or her employer or on group-term life insurance;
- Alternative minimum tax;
- Additional tax on a health savings account from Form 8889, Part III;
- Recapture taxes, such as the tax from recapture of an education credit; or
- Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if the dependent is filing a return only because of this tax, the dependent can file Form 5329 by itself.

A dependent must also file a tax return if he or she:

- Had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes, or

- Had net earnings from self-employment of at least \$400.

Spouse itemizes. A dependent must file a return if the dependent's spouse itemizes deductions on a separate return and the dependent has \$5 or more of gross income (earned and/or unearned).

Should a Return Be Filed Even if Not Required?

Even if a dependent doesn't meet any of the filing requirements discussed earlier, he or she should file a tax return if either of the following applies.

- Income tax was withheld from his or her income.
- He or she qualifies for the earned income credit. See the tax return instructions to find out who qualifies for this credit.

By filing a return, the dependent can get a refund.

Responsibility for Child's Return

Generally, a child is responsible for filing his or her own tax return and for paying any tax, penalties, or interest on that return. If a child can't file his or her own return for any reason, such as age, the child's parent, guardian, or other legally responsible person must file it for the child.

Signing the child's return. If the child can't sign his or her return, a parent or guardian must sign the child's name followed by the words "By (signature), parent (or guardian) for minor child."

Authority of parent or guardian. A parent or guardian who signs a return on a child's behalf can deal with the IRS on all matters connected with the return.

In general, a parent or guardian who doesn't sign the child's return can only provide information concerning the child's return and pay the child's tax. That parent or guardian isn't entitled to receive information from the IRS or legally bind the child to a tax liability arising from the return.

Third party designee. A child's parent or guardian who doesn't sign the child's return may be authorized, as a third party designee, to discuss the processing of the return with the IRS as well as provide information concerning the return. The child or the person signing the return on the child's behalf must check the "Yes" box in the "Third Party Designee" area of the return and name the parent or guardian as the designee.

If designated, a parent or guardian can respond to certain IRS notices and receive information about the processing of the return and the status of a refund or payment. This designation doesn't authorize the parent or guardian to receive any refund check, bind the child to any

tax liability, or otherwise represent the child before the IRS. See the return instructions for more information.

Designated as representative. A parent or guardian who doesn't sign the child's return may be designated as the child's representative by the child or the person signing the return on the child's behalf. Form 2848, Power of Attorney and Declaration of Representative, is used to designate a child's representative. See Pub. 947, Practice Before the IRS and Power of Attorney, for more information.

If designated, a parent or guardian can receive information about the child's return but can't legally bind the child to a tax liability unless authorized to do so by the law of the state in which the child lives.

IRS notice. If you or the child receives a notice from the IRS concerning the child's return or tax liability, you should immediately inform the IRS that the notice concerns a child. The notice will show who to contact. The IRS will try to resolve the matter with the parent(s) or guardian(s) of the child consistent with their authority.

Child's earnings. For federal income tax purposes, amounts a child earns by performing services are included in the gross income of the child and not the gross income of the parent. This is true even if, under state law, the parent has the right to the earnings and may actually have received them.

If the child doesn't pay the tax due on this income, the parent may be liable for the tax.

Child's expenses. Deductions for payments that are made out of a child's earnings are the child's, even if the payments are made by the parent.

Example. You made payments on your child's behalf that are deductible as a business expense and a charitable contribution. You made the payments out of your child's earnings. These items can be deducted only on the child's return.

Standard Deduction

The standard deduction for an individual who can be claimed as a dependent on another person's tax return is generally limited to the larger of:

1. \$1,100; or
2. The individual's earned income plus \$350, but not more than the regular standard deduction (generally \$12,200).

However, the standard deduction may be higher for a dependent who:

- Is 65 or older, or
- Is blind.

Certain dependents can't claim any standard deduction. See [Standard Deduction of Zero](#), later.

Worksheet 1. Use Worksheet 1 to figure the dependent's standard deduction.

Example 1. Michael is single, age 15, and not blind. His parents can claim him as a dependent on their tax return. He has taxable interest income of \$800 and wages of \$150. He enters \$500 (his earned income plus \$350) on line 1 of Worksheet 1. On line 3, he enters \$1,100, the larger of \$500 or \$1,100. Michael enters \$12,200 on line 4. On line 5a, he enters \$1,100, the smaller of \$1,100 or \$12,200. His standard deduction is \$1,100.

Example 2. Judy, a full-time student, is single, age 22, and not blind. Her parents can claim her as a dependent on their tax return. She has dividend income of \$275 and wages of \$2,500. She enters \$2,850 (her earned income plus \$350) on line 1 of Worksheet 1. On line 3, she enters \$2,850, the larger of \$2,850 or \$1,100. She enters \$12,200 on line 4. On line 5a, she enters \$2,850 (the smaller of \$2,850 or \$12,200) as her standard deduction.

Example 3. Amy, who is single, is claimed as a dependent on her parents' tax return. She is 18 years old and blind. She has taxable interest income of \$1,100 and wages of \$2,000. She enters \$2,350 (her earned income plus \$350) on line 1 of Worksheet 1. She enters \$2,350 (the larger of \$2,350 or \$1,100) on line 3, \$12,200 on line 4, and \$2,350 (the smaller of \$2,350 or \$12,200) on line 5a. Because Amy is blind, she checks the box for blindness and enters "1" in box c at the top of Worksheet 1. She enters \$1,650 (the number in box c times \$1,650) on line 5b. Her standard deduction on line 5c is \$4,000 (\$2,350 + \$1,650).

Standard Deduction of Zero

The standard deduction for the following dependents is zero.

- A married dependent filing a separate return whose spouse itemizes deductions.
- A dependent who files a return for a period of less than 12 months due to a change in his or her annual accounting period.
- A nonresident or dual-status alien dependent, unless the dependent is married to a U.S. citizen or resident alien at the end of the year and chooses to be treated as a U.S. resident for the year. See Pub. 519, U.S. Tax Guide for Aliens, for information on making this choice.

Example. Jennifer, who is a dependent of her parents, is entitled to file a joint return with her husband. However, her husband elects to file a separate return and itemize his deductions. Because he itemizes, Jennifer's standard deduction on her return is zero. She can, however, itemize any of her allowable deductions.

Worksheet 1. Standard Deduction Worksheet for Dependents

Keep for Your Records



Use this worksheet only if someone else can claim you (or your spouse, if filing jointly) as a dependent.	
If you were 65 or older and/or blind, check the correct number of boxes below. Put the total number of boxes checked in box c and go to line 1.	
a. You	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
b. Your spouse, if claiming spouse's exemption	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
c. Total boxes checked	<input type="checkbox"/>
1. Enter your earned income * plus \$350. If none, enter -0-.	1. _____
2. Minimum amount.	2. <u>\$1,100</u>
3. Compare lines 1 and 2. Enter the larger of the two amounts here.	3. _____
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none">• Single or Married filing separately—\$12,200• Married filing jointly—\$24,400• Head of household—\$18,350	4. _____
5. Standard deduction. a. Compare lines 3 and 4. Enter the smaller amount here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b. b. If 65 or older or blind, multiply \$1,650 (\$1,300 if married) by the number in box c above. Enter the result here. c. Add lines 5a and 5b. This is your standard deduction for 2019.	5a. _____ 5b. _____ 5c. _____
* Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in income.	

Dependent's Own Exemption

A person who can be claimed as a dependent on another taxpayer's return generally can't claim his or her own exemption. This is true even if the other taxpayer doesn't actually claim the exemption. However, for tax years 2018 through 2025, the deduction for personal exemptions is suspended for a taxpayer, their spouse, and their dependents.

Withholding From Wages

Employers generally withhold federal income tax, social security tax, and Medicare tax from an employee's wages. If the employee claims exemption from withholding on Form W-4, the employer won't withhold federal income tax. The exemption from withholding doesn't apply to social security and Medicare taxes.

Conditions for exemption from withholding. An employee can claim exemption from withholding for 2020 only if he or she meets both of the following conditions.

1. For 2019, the employee had a right to a refund of all federal income tax withheld because he or she had no tax liability.

2. For 2020, the employee expects a refund of all federal income tax withheld because he or she expects to have no tax liability.

Dependents. An employee who is a dependent ordinarily can't claim exemption from withholding if both of the following are true.

- The employee's gross income will be more than \$1,100, the minimum standard deduction for 2020.
- The employee's unearned income will be more than \$350.

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

1. Is age 65 or older;
2. Is blind; or
3. Will claim on his or her 2020 tax return:
 - a. Adjustments to income,
 - b. Tax credits, or
 - c. Itemized deductions.

The above exceptions don't apply to supplemental wages greater than \$1 million. For more information, see *Exemption From Withholding* in chapter 1 of Pub. 505.

Example. Guy is 17 and a student. During the summer, he works part time at a grocery store. He expects to earn about \$1,200 this year. He also worked at the store last summer and received a refund of all his withheld income tax because he didn't have a tax liability. The only other income he expects during the year is \$375 interest on a savings account. He expects that his parents will be able to claim him as a dependent on their tax return. He isn't blind and won't claim adjustments to income, itemized deductions, a higher standard deduction, or tax credits on his return.

Guy can't claim exemption from withholding when he fills out Form W-4 because his parents will be able to claim him as a dependent, his gross income will be more than \$1,100 (the 2020 minimum standard deduction amount), and his unearned income will be more than \$350.

Claiming exemption from withholding. Beginning in 2020, an employee may claim exemption from withholding if he or she owed no federal tax in 2019 **and** expects to owe no federal tax in 2020. To claim exemption from withholding, the employee must certify that he or she meets both conditions by writing "Exempt" on Form W-4 in the space below Step 4(c) and complete Steps 1 and 5. The employee must not complete any other steps on Form W-4. The Form W-4 must then be returned to the employee's employer.

Renewing an exemption from withholding. An exemption from withholding is good for only 1 year. An employee must file a new Form W-4 by February 18 to continue the exemption.

Part 2. Tax on Unearned Income of Certain Children

Terms you may need to know (see Glossary):

Adjusted gross income
Adjustments to income
Alternative minimum tax
Capital gain distribution
Dependent
Earned income
Full-time student
Gross income
Itemized deductions
Net capital gain
Net unearned income
Qualified dividends
Standard deduction
Support

Tax year
Taxable income
Unearned income
Unrecaptured section 1250 gain
28% rate gain

The two rules that follow may affect the tax on the unearned income of certain children.

1. If the child's interest and dividend income (including capital gain distributions) total less than \$11,000, the child's parent may be able to choose to include that income on the parent's return rather than file a return for the child. (See [Parent's Election To Report Child's Interest and Dividends](#), later.)
2. If the child's interest, dividends, and other unearned income total more than \$2,200, the child's income is taxed at special tax rates. (See [Tax for Certain Children Who Have Unearned Income](#), later.)

For these rules, the term "child" includes a legally adopted child and a stepchild. These rules apply whether or not the child is a dependent.

These rules don't apply if neither of the child's parents were living at the end of the year.

Parent's Election To Report Child's Interest and Dividends (Form 8814)

You may be able to elect to include your child's interest and dividend income (including capital gain distributions) on your tax return. If you do, your child won't have to file a return.

You can make this election only if all the following conditions are met.

- Your child was under age 19 (or under age 24 if a full-time student) at the end of the year.
- Your child had income only from interest and dividends (including capital gain distributions and Alaska Permanent Fund dividends).
- The child's gross income was less than \$11,000.
- The child is required to file a return unless you make this election.
- The child doesn't file a joint return for the year.
- No estimated tax payment was made for the year, and no overpayment from the previous year (or from any amended return) was applied to this year under your child's name and SSN.
- No federal income tax was withheld from your child's income under the backup withholding rules.

- You are the parent whose return must be used when applying the special tax rules for children. (See [Which Parent's Return To Use](#), later.)

These conditions are also shown in Figure 1.

Certain January 1 birthdays. A child born on January 1, 2001, is considered to be age 19 at the end of 2019. You can't make this election for such a child unless the child was a full-time student.

A child born on January 1, 1996, is considered to be age 24 at the end of 2019. You can't make this election for such a child.

How to make the election. Make the election by attaching Form 8814 to your Form 1040, 1040-SR, or 1040-NR. Attach a separate Form 8814 for each child for whom you make the election. You can make the election for one or more children and not for others.

Which Parent's Return To Use

If a child's parents are married to each other and file a joint return, use the joint return when electing to report the child's interest and dividend income on their return. For other situations when the parents do not file a joint return, see *Parents Who Don't File a Joint Return* next.

Parents Who Don't File a Joint Return

For parents who don't file a joint return and are electing to report the child's interest and dividend income on their return, the following discussions explain which parent's tax return must be used to figure the tax.

Only the parent whose tax return is used can make the election described earlier under [Parent's Election To Report Child's Interest and Dividends](#).

Parents are married. If the child's parents file separate returns, use the return of the parent with the greater taxable income.

Parents not living together. If the child's parents are married to each other but not living together, and the parent with whom the child lives (the custodial parent) is considered unmarried, use the return of the custodial parent. If the custodial parent isn't considered unmarried, use the return of the parent with the greater taxable income.

For an explanation of when a married person living apart from his or her spouse is considered unmarried, see *Head of Household* in Pub. 501.

Parents are divorced. If the child's parents are divorced or legally separated, and the parent who had custody of the child for the greater part of the year (the custodial parent) hasn't remarried, use the return of the custodial parent.

Custodial parent remarried. If the custodial parent has remarried, the stepparent (rather than the noncustodial parent) is treated as the child's other parent. Therefore, if the custodial parent and the stepparent file a joint

return, use that joint return. Don't use the return of the noncustodial parent.

If the custodial parent and the stepparent are married, but file separate returns, use the return of the one with the greater taxable income. If the custodial parent and the stepparent are married but not living together, the earlier discussion under [Parents not living together](#) applies.

Parents never married. If a child's parents have never been married to each other, but lived together all year, use the return of the parent with the greater taxable income. If the parents didn't live together all year, the rules explained earlier under [Parents are divorced](#) apply.

Widowed parent remarried. If a widow or widower remarries, the new spouse is treated as the child's other parent. The rules explained earlier under [Custodial parent remarried](#) apply.

Effect of Making the Election

The federal income tax on your child's income may be more if you make the Form 8814 election.

Rate may be higher. If your child received qualified dividends or capital gain distributions, you may pay up to \$110 more tax if you make this election instead of filing a separate tax return for the child. This is because the tax rate on the child's income between \$1,100 and \$2,200 is 10% if you make this election. However, if you file a separate return for the child, the tax rate may be as low as 0% because of the preferential tax rates for qualified dividends and capital gain distributions.

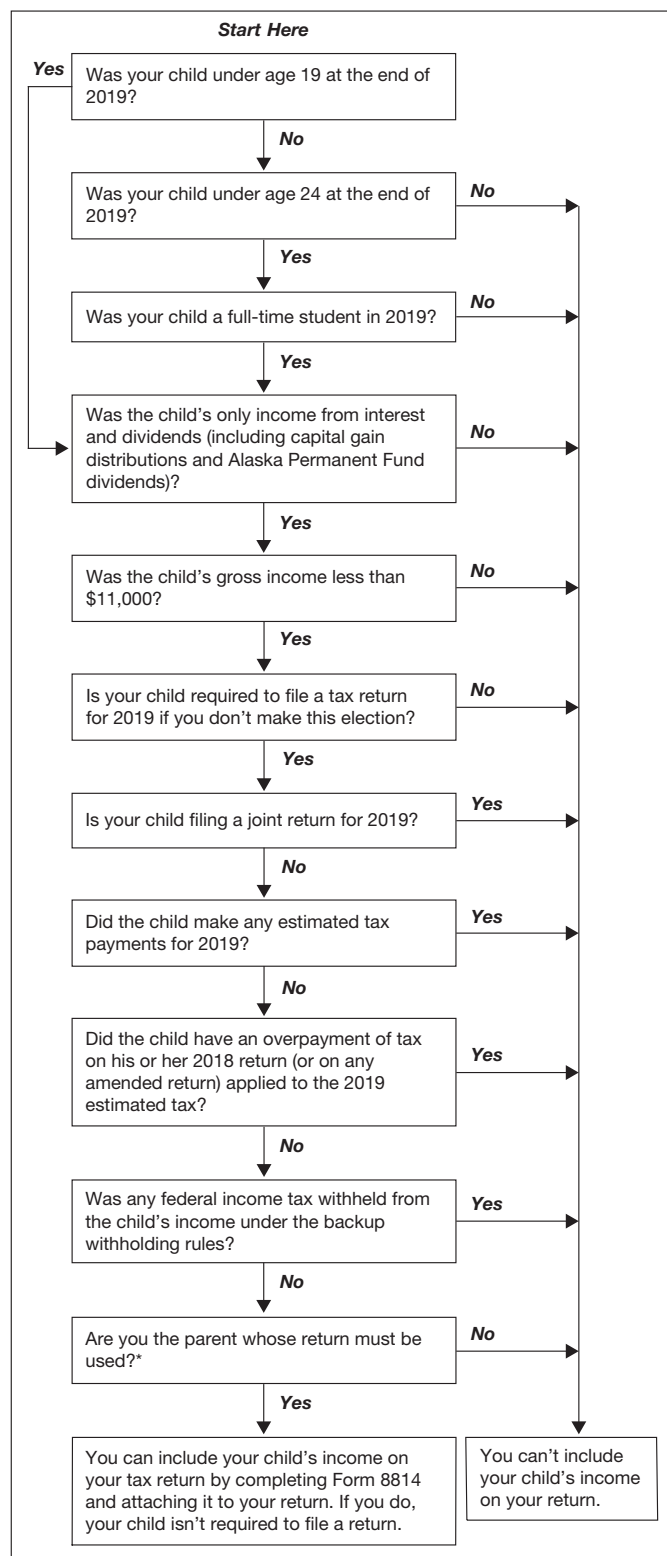
Deductions you can't take. By making the Form 8814 election, you can't take any of the following deductions that the child would be entitled to on his or her return.

- The additional standard deduction if the child is blind.
- The deduction for a penalty on an early withdrawal of your child's savings.
- Itemized deductions (such as your child's investment interest expenses or charitable contributions).

Deductible investment interest. If you use Form 8814, your child's unearned income is considered your unearned income. To figure the limit on your deductible investment interest, add the child's unearned income to yours. However, if your child received qualified dividends, capital gain distributions, or Alaska Permanent Fund dividends, see chapter 3 of Pub. 550 for information about how to figure the limit.

AMT. If your child received tax-exempt interest (or exempt-interest dividends paid by a regulated investment company) from certain private activity bonds, you must determine if that interest is a tax preference item for AMT purposes. If it is, you must include it with your own tax preference items when figuring your AMT. See Form 6251, *Alternative Minimum Tax—Individuals*, and its instructions for details.

Figure 1. Can You Include Your Child's Income on Your Tax Return?



NIIT. When figuring any NIIT liability on Form 8960, Net Investment Income Tax—Individuals, Estates, and Trusts, the amount on line 12 of Form 8814 (other than Alaska Permanent Fund dividends) will increase the amount of

your net investment income reported on Form 8960. See the Form 8960 instructions for more information.

Reduced deductions or credits. If you use Form 8814, your increased adjusted gross income may reduce certain deductions or credits on your return, including the following.

- Deduction for contributions to a traditional individual retirement arrangement (IRA).
- Deduction for student loan interest.
- Itemized deductions for medical expenses and casualty and theft losses.
- Credit for child and dependent care expenses.
- Child tax credit.
- Education tax credits.
- Earned income credit.

Penalty for underpayment of estimated tax. If you make this election for 2019 and didn't have enough tax withheld or pay enough estimated tax to cover the tax you owe, you may be subject to a penalty. If you plan to make this election for 2020, you may need to increase your federal income tax withholding or your estimated tax payments to avoid the penalty. See Pub. 505 for more information.

Figuring Child's Income

Use Form 8814, Part I, to figure your child's interest and dividend income to report on your return. Only the amount over \$2,200 is added to your income. The amount over \$2,200 is shown on Form 8814, line 6. Unless the child's income includes qualified dividends or capital gain distributions (discussed next), the same amount is shown on Form 8814, line 12. Include the amount from Form 8814, line 12, on Schedule 1 (Form 1040 or 1040-SR), line 8; or Form 1040-NR, line 21. If you file more than one Form 8814, include the total amounts from line 12 of all your Forms 8814 on Schedule 1 (Form 1040 or 1040-SR), line 8; or Form 1040-NR, line 21. On the dotted line next to Schedule 1 (Form 1040 or 1040-SR), line 8; or Form 1040-NR, line 21, enter "Form 8814" and the total of the Form 8814, line 12, amounts.

Note. The tax on the first \$2,200 is figured on Form 8814, Part II. See [Figuring Additional Tax](#), later.

Qualified dividends. Enter on Form 8814, line 2a, any ordinary dividends your child received. This amount may include qualified dividends. Qualified dividends are those dividends reported on Form 1040 or 1040-SR, line 3a; or Form 1040-NR, line 10b, and are eligible for lower tax rates that apply to a net capital gain. For detailed information about qualified dividends, see Pub. 550.

If your child received qualified dividends, the amount of these dividends that is added to your income must be reported on Form 1040 or 1040-SR, lines 3a and 3b; or Form 1040-NR, lines 10a and 10b. You don't include

these dividends on Form 8814, line 12; Schedule 1 (Form 1040 or 1040-SR), line 8; or Form 1040-NR, line 21.

Enter the child's qualified dividends on Form 8814, line 2b. But don't include this amount on Form 1040 or 1040-SR, lines 3a and 3b; or Form 1040-NR, lines 10a and 10b. Instead, include the amount from Form 8814, line 9, on Form 1040 or 1040-SR, lines 3a and 3b; or Form 1040-NR, lines 10a and 10b. (The amount on Form 8814, line 9, may be less than the amount on Form 8814, line 2b, because lines 7 through 12 of the form divide the \$2,200 base amount on Form 8814, line 5, between the child's qualified dividends, capital gain distributions, and other interest and dividend income, reducing each of those amounts.)

Capital gain distributions. Enter on Form 8814, line 3, any capital gain distributions your child received. The amount of these distributions that is added to your income must be reported on Schedule D (Form 1040 or 1040-SR), line 13, or, if you aren't required to file Schedule D, on Form 1040 or 1040-SR, line 6; or Form 1040-NR, line 14. You don't include it on Form 8814, line 12; Schedule 1 (Form 1040 or 1040-SR), line 8; or Form 1040-NR, line 21.

Include the amount from Form 8814, line 10, on Schedule D, line 13; Form 1040 or 1040-SR, line 6; or Form 1040-NR, line 14, whichever applies. (The amount on Form 8814, line 10, may be less than the amount on Form 8814, line 3, because lines 7 through 12 of the form divide the \$2,200 base amount on Form 8814, line 5, between the child's qualified dividends, capital gain distributions, and other interest and dividend income, reducing each of those amounts.)

Collectibles (28% rate) gain. If any of the child's capital gain distributions are reported on Form 1099-DIV as collectibles (28% rate) gain, you must determine how much to also include on line 4 of the 28% Rate Gain Worksheet in the instructions for Schedule D, line 18. Multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is collectibles (28% rate) gain. The denominator is the child's total capital gain distribution. Enter the result on line 4 of the 28% Rate Gain Worksheet.

Unrecaptured section 1250 gain. If any of the child's capital gain distributions are reported on Form 1099-DIV as unrecaptured section 1250 gain, you must determine how much to include on line 11 of the Unrecaptured Section 1250 Gain Worksheet in the instructions for Schedule D, line 19. Multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is unrecaptured section 1250 gain. The denominator is the child's total capital gain distribution. Enter the result on the Unrecaptured Section 1250 Gain Worksheet, line 11.

Section 1202 gain. If any of the child's capital gain distributions are reported as section 1202 gain (gain on qualified small business stock) on Form 1099-DIV, part or all of that gain may be eligible for the section 1202

exclusion. (For information about the exclusion, see chapter 4 of Pub. 550.) To figure that part, multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is section 1202 gain. The denominator is the child's total capital gain distribution. Your section 1202 exclusion is generally 50% of the result, but may be subject to a limit. In some cases, the exclusion is more than 50%. See the Instructions for Schedule D for details and information on how to report the exclusion amount.

Example. Fred is 6 years old. In 2019, he received dividend income of \$2,300, which included \$1,725 of ordinary dividends and a \$575 capital gain distribution from a mutual fund. (None of the distributions were reported on Form 1099-DIV as unrecaptured section 1250 gain, section 1202 gain, or collectibles (28% rate) gain.) All of the ordinary dividends are qualified dividends. He has no other income and isn't subject to backup withholding. No estimated tax payments were made under his name and SSN.

Fred's parents elect to include Fred's income on their tax return instead of filing a return for him.

They figure the amount to report on Form 1040, lines 3a and 3b, the amount to report on their Schedule D, line 13, and the amount to report on Schedule 1 (Form 1040 or 1040-SR), line 8, as follows.

They leave lines 1a and 1b of Form 8814 blank because Fred doesn't have any interest income. They enter his ordinary dividends of \$1,725 on lines 2a and 2b because all of Fred's ordinary dividends are qualified dividends. They enter the amount of Fred's capital gain distributions, \$575, on line 3. Next, they add the amounts on lines 1a, 2a, and 3 and enter the result, \$2,300, on line 4.

They subtract the base amount on line 5, \$2,200, from the amount on line 4, \$2,300, and enter the result, \$100, on line 6. This is the total amount from Form 8814 to be reported on their return. Next, they figure how much of this amount is qualified dividends and how much is capital gain distributions.

- They divide the amount on line 2b, \$1,725, by the amount on line 4, \$2,300. They enter the result, 0.75, on line 7.
- They divide the amount on line 3, \$575, by the amount on line 4, \$2,300. They enter the result, 0.25, on line 8.
- They multiply the amount on line 6, \$100, by the decimal on line 7, 0.75, and enter the result, \$75, on line 9.
- They multiply the amount on line 6, \$100, by the decimal on line 8, 0.25, and enter the result, \$25, on line 10.
- They include the amount from line 9, \$75, on lines 3a and 3b of their Form 1040 and enter "Form 8814 – \$75" on the dotted lines next to lines 3a and 3b. They include the amount from line 10, \$25, on line 13 of their Schedule D (Form 1040 or 1040-SR) and enter "Form 8814 – \$25" on the dotted line next to Schedule D, line 13.

They enter \$100 (\$75 + \$25) on line 11 and -0- (\$100 – \$100) on line 12. Because the amount on line 12 is -0-, they don't include any amount from Form 8814 on their Schedule 1 (Form 1040 or 1040-SR), line 8.

Figuring Additional Tax

Use Form 8814, Part II, to figure the tax on the \$2,200 of your child's interest and dividends that you don't include in your income. This tax is added to the tax figured on your income.

This additional tax is the smaller of:

1. 10% (0.10) x (your child's gross income – \$1,100), or
2. \$110.



Include the amount from line 15 of all your Forms 8814 in the total on Form 1040 or 1040-SR, line 12a; or Form 1040-NR, line 42. Check box 1 on Form 1040 or 1040-SR, line 12a, or check box a on Form 1040-NR, line 42.

Tax for Certain Children Who Have Unearned Income (Form 8615)

If your child's interest, dividends, and other unearned income total more than \$2,200, and you don't or can't use Form 8814 to include your child's income on your return, your child will use Form 8615 to figure their tax. Attach the completed Form 8615 to your child's Form 1040 or 1040-NR.

Change in tax rates. The Tax Cuts and Jobs Act of 2017 modified the tax rates and brackets used to figure the tax on the unearned income for certain children. Unless your child elects to calculate their tax based on the tax rate of their parent, all net unearned income over a threshold amount of \$2,200 for 2019 will be taxed using the brackets and rates for estates and trusts.

When Form 8615 must be filed. Your child must file Form 8615 if all of the following are true.

1. Their unearned income was more than \$2,200.
2. They are required to file a return for 2019.
3. They were either:
 - a. Under age 18 at the end of the year,
 - b. Age 18 at the end of the year and didn't have earned income that was more than half of his or her support, or
 - c. A full-time student at least age 19 and under age 24 at the end of 2019 and didn't have earned income that was more than half of his or her support.

4. At least one of their parents was alive at the end of 2019.

5. They don't file a joint return for 2019.

These conditions are also shown in Figure 2.

Certain January 1 birthdays. Use the following chart to determine whether certain children with January 1 birthdays meet condition 3 under *When Form 8615 must be filed*, earlier.

IF your child was born on...	THEN, at the end of 2019, your child is considered to be...
January 1, 2002	18*
January 1, 2001	19**
January 1, 1996	24***
<p>*Your child isn't under age 18. Your child meets condition 3 only if your child didn't have earned income that was more than half of his or her support.</p> <p>**Your child meets condition 3 only if your child was a full-time student who didn't have earned income that was more than half of his or her support.</p> <p>***Don't use Form 8615 for your child.</p>	

Providing Parental Information (Form 8615, Lines A and B)

On Form 8615, lines A and B, enter the parent's name and SSN.

Step 1. Figuring Your Child's Net Unearned Income (Form 8615, Part I)

The first step in figuring your child's tax using Form 8615 is to figure your child's net unearned income. To do that, use Form 8615, Part I.

Line 1 (Unearned Income)

If your child had no earned income, enter on this line the adjusted gross income shown on your child's return. Adjusted gross income is shown on Form 1040, line 8b; or Form 1040-NR, line 35.

If your child had earned income, figure the amount to enter on Form 8615, line 1, by using the worksheet in the instructions for the form.



However, use the following worksheet if your child:

- Has excluded any foreign earned income,
- Deducted a loss from self-employment, or
- Has a net operating loss from another year.

**Alternate Worksheet
for Form 8615, Line 1**

- A.** Enter the amount from your child's Form 1040, line 7b; or Form 1040-NR, line 23 _____
- B.** Enter the total of any net loss from self-employment, any net operating loss deduction, any foreign earned income exclusion, and any foreign housing exclusion from your child's Form 1040 or Form 1040-NR. Enter this total as a positive number (greater than zero) _____
- C.** Add line A and line B and enter the total _____
- D.** Enter your child's earned income plus any amount from your child's Schedule 1 (Form 1040 or 1040-SR), line 17; or your child's Form 1040-NR, line 30 _____
Generally, your child's earned income is the total of the amounts reported on Form 1040, line 1; Schedule 1 (Form 1040 or 1040-SR), lines 3 and 6 (if Schedule 1 (Form 1040 or 1040-SR), line 3 or 6 is a loss, use zero); or Form 1040-NR, lines 8, 13, and 19 (if line 13 or 19 is a loss, use zero)
- E.** Subtract line D from line C. Enter the result here and on Form 8615, line 1 _____

Unearned income defined. Unearned income is generally all income other than salaries, wages, and other amounts received as pay for work actually performed. It includes taxable interest, dividends, capital gains (including capital gain distributions), the taxable part of social security and pension payments, certain distributions from trusts, and unemployment compensation. Unearned income includes amounts produced by assets your child obtained with earned income (such as interest on a savings account into which you deposited wages).

Nontaxable income. For this purpose, unearned income includes only amounts your child must include in gross income. Nontaxable unearned income, such as tax-exempt interest and the nontaxable part of social security and pension payments, isn't included in gross income.

Capital loss. Your child's capital losses are taken into account in figuring their unearned income. Capital losses are first applied against capital gains. If the capital losses are more than the capital gains, the difference (up to \$3,000) is subtracted from your child's interest, dividends, and other unearned income. Any difference over \$3,000 is carried to the next year.

Income from property received as a gift. Your child's unearned income includes all income produced by property belonging to your child. This is true even if the property was transferred to your child, regardless of when the property was transferred or purchased or who transferred it.

Your child's unearned income includes income produced by property given as a gift to your child. This

includes gifts to your child from grandparents or any other person and gifts made under the Uniform Gift to Minors Act.

Example. Amanda Black, age 13, received the following income.

- Dividends—\$1,000.
- Wages—\$2,100.
- Taxable interest—\$1,200.
- Tax-exempt interest—\$100.
- Capital gains—\$300.
- Capital losses—(\$200).

The dividends were qualified dividends on stock given to her by her grandparents.

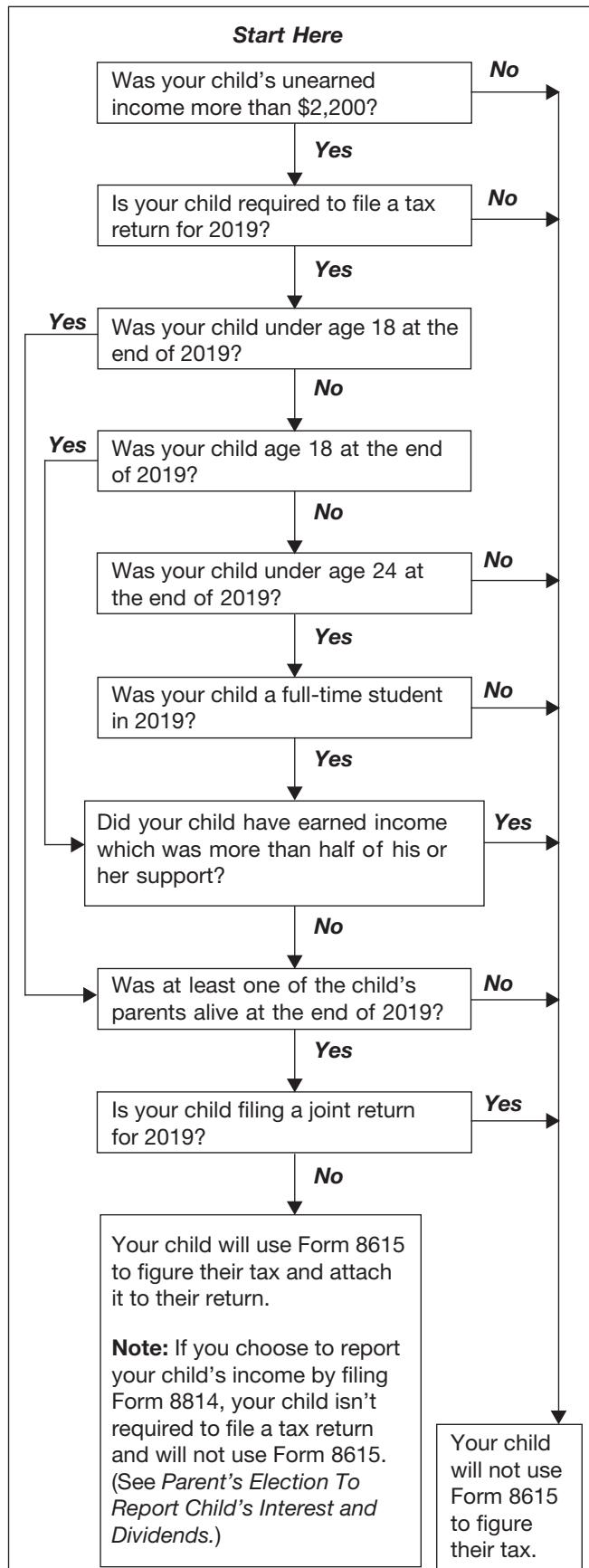
Amanda's unearned income is \$2,300. This is the total of the dividends (\$1,000), taxable interest (\$1,200), and capital gains reduced by capital losses (\$300 – \$200 = \$100). Her wages are earned (not unearned) income because they are received for work actually performed. Her tax-exempt interest isn't included because it is nontaxable.

Trust income. If your child is the beneficiary of a trust, distributions of taxable interest, dividends, capital gains, and other unearned income from the trust are unearned income to your child.

However, taxable distributions from a qualified disability trust are considered earned income for the purposes of completing Form 8615. See the Form 8615 instructions for details.

Adjustment to income. In figuring the amount to enter on line 1, your child's unearned income is reduced by any penalty on the early withdrawal of savings.

Figure 2. Does Your Child Have To Use Form 8615 To Figure Their Tax?



Line 2 (Deductions)

Enter \$2,200 on line 2.

Line 3

Subtract line 2 from line 1 and enter the result on this line. If zero or less, don't complete the rest of the form. However, you must still attach Form 8615 to your child's tax return. Figure the tax on your child's taxable income in the normal manner.

Line 4 (Child's Taxable Income)

Enter on line 4 your child's taxable income from Form 1040, line 11b; or Form 1040-NR, line 41.

Child files Form 2555. If your child files Form 2555 (relating to foreign earned income), your child will use the Foreign Earned Income Tax Worksheet (in the Forms 1040 and 1040-SR instructions) to figure their tax. Enter the amount from line 3 of the Foreign Earned Income Tax Worksheet as their taxable income on Form 8615, line 4.

Line 5

Enter on Form 8615, line 5, the smaller of line 3 or line 4.

If zero or less, don't complete the rest of the form. However, you must still attach Form 8615 to your child's tax return. Figure the tax on your child's taxable income in the normal manner.

Step 2. Figuring the Tax (Form 8615, Part II)

Line 7 (Tax on Line 4 Amount)



The Line 7 Tax Computation Worksheet in the Form 8615 instructions will calculate tax using the trust and estates rate bracket. If the taxpayer wants to elect to use the parent's tax rate, they may use the 2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet in the Form 8615 instructions.

Figure the tax on the amount on line 4 using the Line 7 Tax Computation Worksheet in the Instructions for Form 8615; the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Forms 1040 and 1040-SR, or the Instructions for Form 1040-NR; the Schedule D Tax Worksheet in the Instructions for Schedule D (Form 1040 or 1040-SR); or Schedule J (Form 1040 or 1040-SR), Income Averaging for Farmers and Fishermen, as follows.

- If line 4 doesn't include any net capital gain or qualified dividends, use the Line 7 Tax Computation Worksheet (or Schedule J, if applicable) to figure this tax.
- If line 4 includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. For details, see *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 7 tax* in the Instructions for Form

8615. However, if your child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. (But use Schedule J, if it applies.)

Qualified dividends. Qualified dividends are those dividends reported on line 3a of Form 1040 or line 10b of Form 1040-NR.

Net capital gain. Net capital gain is the smaller of the gain, if any, on Schedule D (Form 1040 or 1040-SR), line 15, or the gain, if any, on Schedule D (Form 1040 or 1040-SR), line 16. If Schedule D isn't required, it's the amount on Form 1040, line 6; or Form 1040-NR, line 14.

Using the Schedule D Tax Worksheet for line 7 tax. If your child uses the Schedule D Tax Worksheet to figure the line 7 tax, complete that worksheet in its entirety but with the following modifications.

Line 15. Add Form 8615, line 6; and \$2,650. Enter the smaller of the result and the amount listed below for your child's filing status.

- Single or married filing separately — \$39,375.
- Head of household — \$52,750.

Line 19. Enter the smallest of:

- Line 1 of the Schedule D Tax Worksheet;
- \$160,725 if single or married filing separately;
- \$160,700 if head of household; or
- The sum of Form 8615, line 6; and \$9,300.

Line 26. Add Form 8615, line 6; and \$12,950. Enter the smaller of the result and the amount listed below for your child's filing status.

- Single — \$434,550.
- Married filing separately — \$244,425 (1/2 of MFJ rate of \$488,850).
- Head of household — \$461,700.

Line 44. Complete the 2019 Line 7 Tax Computation Worksheet again, using the amount from line 21 of the Schedule D Tax Worksheet instead of the amount from line 4 of Form 8615.

Line 46. Figure the tax on the amount on line 1 of the Schedule D Tax Worksheet using the 2019 Line 7 Tax Computation Worksheet.

Using Schedule J (Form 1040 or 1040-SR) for line 7 tax. If line 4 includes any farming or fishing income (including certain amounts received in connection with the Exxon Valdez litigation) and doesn't include any net capital gain or qualified dividends, use it to figure this tax without modifications. The tax may be less if you use Schedule J.

Alternative Minimum Tax (AMT)

Your child may be subject to AMT if he or she has certain items given preferential treatment under the tax law.

These items include accelerated depreciation and certain tax-exempt interest income. The AMT may also apply if your child has passive activity losses or certain distributions from estates or trusts.

For more information on who is liable for AMT and how to figure it, see Form 6251.

2019 Tentative Tax Based on the Tax Rate of Your Parent

If you elect to figure your child's tax based on your tax rate, complete the 2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet in the Form 8615 instructions as follows.

Step 1. Figuring a Tentative Tax at the Parent's Tax Rate

Line 1 (Parent's Taxable Income)

If you filed a joint return, enter the taxable income shown on Form 1040, line 11b; or Form 1040-NR, line 41, even if your spouse isn't the child's parent.

Parent files Form 2555. If the Foreign Earned Income Tax Worksheet (in the Instructions for Forms 1040 and 1040-SR) was used to figure your tax, enter the amount from line 3 of that worksheet, instead of your taxable income.

Line 2 (Net Unearned Income of Other Children)

Enter on line 2 the total of the amounts from line 5 of all the other children's Forms 8615. Don't include the amount from line 5 of the child's Form 8615. (The term "other child" means any other child whose Form 8615 uses the tax information of the parent identified on lines A and B of Form 8615.)

Example. Paul and Jane Persimmon have three children, Sharon, Jerry, and Mike, who must attach Form 8615 to their tax returns. The children's net unearned income amounts on line 5 of their Forms 8615 are:

- Sharon—\$800,
- Jerry—\$600, and
- Mike—\$1,000.

Line 2 of Sharon's 2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet will show \$1,600, the total of the amounts on line 5 of Jerry's and Mike's Forms 8615.

Line 2 of Jerry's 2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet will show \$1,800 (\$800 + \$1,000).

Line 2 of Mike's 2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet will show \$1,400 (\$800 + \$600).

Other children's information not available. If the net unearned income of the other children isn't available when the return is due, either file the return using estimates or get an extension of time to file.

Line 3 (Parent's Taxable Income Plus Children's Net Unearned Income)

Enter on this line the total of line 5 of the child's Form 8615, and lines 1 and 2 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. You must determine the amount of net capital gain and qualified dividends included on this line before completing line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

Net capital gain. Net capital gain is the smaller of the gain, if any, on Schedule D (Form 1040 or 1040-SR), line 15, or the gain, if any, on Schedule D, line 16. If Schedule D isn't required, it is the amount on Form 1040, line 6; or Form 1040-NR, line 14.

Qualified dividends. Qualified dividends are those dividends reported on line 3a of Form 1040 or line 10b of Form 1040-NR.

Net capital gain and qualified dividends on line 3. If neither the child, nor the parent, nor any other child has net capital gain, the net capital gain on line 3 is zero.

If neither the child, nor the parent, nor any other child has qualified dividends, the amount of qualified dividends on line 3 is zero.

If the child, the parent, or any other child has net capital gain, figure the amount of net capital gain included on line 3 by adding together the net capital gain amounts included on line 5 (Form 8615), and lines 1 and 2 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

If the child, the parent, or any other child has qualified dividends, figure the amount of qualified dividends included on line 3 by adding together the qualified dividend amounts included on line 5 (Form 8615), and lines 1 and 2 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

Use the instructions for Form 8615, line 3, including the appropriate Line 5 Worksheet, to find these amounts. See the Instructions for Form 8615 for more details.

Note. The amount of any net capital gain or qualified dividends isn't separately reported on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. It is needed, however, when figuring the tax on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

Line 4 (Tax Based on Parent's Filing Status)

Figure the tax on the amount on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet using the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet (in the Instructions for Forms 1040 and 1040-SR, or the Instructions for Form 1040-NR), the

Schedule D Tax Worksheet (in the Schedule D (Form 1040 or 1040-SR) instructions), or Schedule J (Form 1040 or 1040-SR), as follows.

- If line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet doesn't include any net capital gain or qualified dividends, use the Tax Table or Tax Computation Worksheet to figure this tax. But if Schedule J (Form 1040 or 1040-SR) is used to figure the tax on the parent's return, use it to figure this tax.
- If line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. For details, see the instructions for line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet in the Form 8615 instructions. However, if the child, the parent, or any other child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. But if Schedule J is used to figure the tax on the parent's return, use it to figure this tax.

Child files Form 2555. If line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet includes any net capital gain or qualified dividends and the child, or any other child filing Form 8615, also files Form 2555, see the *Using the Schedule D Tax Worksheet for line 4 tax* next to figure the line 4 tax.

Using the Schedule D Tax Worksheet for line 4 tax. Use the Schedule D Tax Worksheet (in the Schedule D (Form 1040 or 1040-SR) instructions) to figure the tax on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet, if the child, the parent, or any other child has unrecaptured section 1250 gain or 28% rate gain. If you must use the Schedule D Tax Worksheet, first complete any Schedule D and any actual Schedule D Tax Worksheet required for the child, the parent, or any other child. Then figure the tax on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet using another Schedule D Tax Worksheet. (Don't attach this Schedule D Tax Worksheet to the child's return.)

Complete this Schedule D Tax Worksheet as follows.

1. On line 1, enter the amount from line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.
2. On line 2, enter the qualified dividends included on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. (See the earlier discussion for line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.)
3. On line 3, enter the total of the amounts, if any, on line 4g of all Forms 4952 filed by the child, the parent, or any other child.
4. On line 4, enter the total of the amounts, if any, on line 4e of all Forms 4952 filed by the child, the parent, or any other child. If applicable, include instead the

smaller amount entered on the dotted line next to line 4e.

5. On lines 5 and 6, follow the worksheet instructions.
6. On line 7, enter the net capital gain included on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. (See the earlier discussion for line 3.)
7. On lines 8 through 10, follow the worksheet instructions.
8. On line 11, enter zero if neither the child, nor the parent, nor any other child has unrecaptured section 1250 gain (Schedule D (Form 1040 or 1040-SR), line 19) or 28% rate gain (Schedule D (Form 1040 or 1040-SR), line 18). Otherwise, enter the amount of unrecaptured section 1250 gain and 28% rate gain included in the net capital gain on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. Figure these amounts as explained later under *Figuring unrecaptured section 1250 gain (line 11)* and *Figuring 28% rate gain (line 11)*.
9. If the Foreign Earned Income Tax Worksheet was used to figure the parent's tax or the tax of any child, go to step 10 below. Otherwise, skip steps 10, 11, and 12 below, and go to step 13.
10. Determine whether there is a line 3 capital gain excess as follows.
 - a. Add the amounts on line 2c of all Foreign Earned Income Tax Worksheets completed by the parent or any child for whom Form 8615 is filed. (But, for each child, don't add more than the excess, if any, of the amount on line 5 of the child's Form 8615 over the child's taxable income on Form 1040, line 11b; or Form 1040-NR, line 41.)
 - b. Subtract (a) from the amount on line 1 of this Schedule D Tax Worksheet.
 - c. Subtract (b) from the amount on line 10 of this Schedule D Tax Worksheet. If the result is more than zero, that amount is the line 3 capital gain excess. If the result is zero or less, there is no line 3 capital gain excess.
11. If there is no line 3 capital gain excess, skip step 12 below and go to step 13.
12. If there is a line 3 capital gain excess, complete a second Schedule D Tax Worksheet as instructed above and in step 13, but in its entirety and with the following additional modifications. (These modifications are to be made only for purposes of filling out this additional Schedule D Tax Worksheet.)
 - a. Reduce the amount you would otherwise enter on line 4 (but not below zero) by the line 3 capital gain excess.
 - b. Reduce the amount you would otherwise enter on line 1 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet (but not below zero) by any of the line 3 capital gain excess not used in (a) above.
 - c. If the child, the parent, or any other child has 28% rate gain, reduce the amount you would otherwise enter on line 8 of Worksheet 1 for Line 11 of the Schedule D Tax Worksheet — 28% Rate Gain (Line 4 Tax), shown later, (but not below zero) by the line 3 capital gain excess, and refigure the amount on line 11 of this Schedule D Tax Worksheet.
 - d. If the child, the parent, or any other child has unrecaptured section 1250 gain, reduce the amount you would otherwise enter on line 8 of Worksheet 2 for Line 11 of the Schedule D Tax Worksheet — Unrecaptured Section 1250 Gain (Line 4 Tax) (but not below zero) by the line 3 capital gain excess not used in step 12(c) above, and refigure the amount on line 11 of this Schedule D Tax Worksheet.
13. Complete lines 12 through 47 following the worksheet instructions. On line 35, enter the smaller of (a) line 9 of this worksheet; or (b) the total of the amounts, if any, on line 19 of all Schedules D (Form 1040 or 1040-SR) filed by the child, the parent, or any other child. Use the parent's filing status to complete lines 15, 44, and 46.

Enter the amount from line 47 of this Schedule D Tax Worksheet on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. Don't attach this worksheet to the child's return.

Figuring 28% rate gain (line 11). If the child, the parent, or any other child has 28% rate gain, figure the amount of 28% rate gain included in the net capital gain on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet using the following worksheet.

**Worksheet 1 for Line 11 of the Schedule D
Tax Worksheet — 28% Rate Gain
(Line 4 Tax)**

1. Enter the amount, if any, from your child's Schedule D (Form 1040 or 1040-SR), line 18 . . . _____
- If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.**
2. Enter the amount, if any, from the last line of your child's completed Line 5 Worksheet in the instructions for line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. (See the line 3 instructions for which Line 5 Worksheet to use) _____
3. Enter the amount from line 2 of your child's completed Line 5 Worksheet _____
4. Divide line 2 by line 3. Enter the result as a decimal _____
5. Multiply line 1 by line 4 _____
6. If no other child has 28% rate gain, enter -0-. Otherwise, repeat lines 1 through 5 above for each other child who has 28% rate gain and enter the total of the line 5 amounts for those other children _____
7. Enter the amount, if any, from line 18 of the parent's Schedule D (Form 1040 or 1040-SR) . . . _____
8. Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11 _____

Figuring unrecaptured section 1250 gain (line 11).

If the child, the parent, or any other child has unrecaptured section 1250 gain, figure the amount of unrecaptured section 1250 gain included in the net capital gain on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet using the following worksheet.

**Worksheet 2 for Line 11 of the Schedule D
Tax Worksheet — Unrecaptured
Section 1250 Gain
(Line 4 Tax)**

1. Enter the amount, if any, from your child's Schedule D, line 19 _____
- If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.**
2. Enter the amount, if any, from the last line of your child's completed Line 5 Worksheet in the instructions for line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. (See the line 3 instructions for which Line 5 Worksheet to use) _____
3. Enter the amount from line 2 of your child's completed Line 5 Worksheet _____
4. Divide line 2 by line 3. Enter the result as a decimal _____
5. Multiply line 1 by line 4 _____
6. If no other child has unrecaptured section 1250 gain, enter -0-. Otherwise, repeat lines 1 through 5 for each other child who has unrecaptured section 1250 gain and enter the total of the line 5 amounts for those children _____
7. Enter the amount, if any, from line 19 of the parent's Schedule D (Form 1040 or 1040-SR) . . . _____
8. Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11 _____

Using Schedule J (Form 1040 or 1040-SR) for line 4

tax. Use Schedule J (Form 1040 or 1040-SR) to figure the tax on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet if Schedule J (Form 1040 or 1040-SR) is used to figure the tax on the parent's return. First complete the actual Schedule J (Form 1040 or 1040-SR) for the parent, then use another Schedule J as a worksheet to figure the tax to enter on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. (Don't attach this worksheet to your child's return.)

Complete this worksheet Schedule J (Form 1040 or 1040-SR) as follows.

1. On line 1, enter the amount from line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.
2. On lines 2a, 2b, and 2c, enter the amounts from the parent's Schedule J (Form 1040 or 1040-SR), lines 2a, 2b, and 2c.
3. Complete line 3 following the Schedule J instructions.
4. Complete line 4. If line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet includes any net capital gain, use the Qualified Dividends and Capital Gain Tax Worksheet to figure the tax amount on this line. For details on how to use the worksheet, see the instructions for line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent

Tax Worksheet in the Form 8615 instructions, but use the amount on line 3 of this worksheet Schedule J (instead of the amount on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet) in step 1 under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 4 tax*, earlier. However, if the child, the parent, or any other child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. Follow the earlier instructions under *Using the Schedule D Tax Worksheet for line 4 tax*, except use the amount on line 3 of this worksheet Schedule J (instead of the amount on line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet) in step 1.

5. On lines 5 through 16, enter the amounts from the parent's Schedule J (Form 1040 or 1040-SR), lines 5 through 16.
6. Complete lines 17 and 18 following the Schedule J (Form 1040 or 1040-SR) instructions.
7. On lines 19 through 22, enter the amounts from the parent's Schedule J (Form 1040 or 1040-SR), lines 19 through 22.
8. Complete line 23 following the Schedule J (Form 1040 or 1040-SR) instructions.

Enter the amount from line 23 of this worksheet Schedule J (Form 1040 or 1040-SR) on line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

Line 5 (Parent's Tax)

Enter on line 5 the amount from your Form 1040 or 1040-SR, line 12a; or Form 1040-NR, line 42. Don't include the tax, if any, from Form 4972 or Form 8814 or any tax from recapture of an education credit.

If you file Form 2555, enter the amount from line 4 of your Foreign Earned Income Tax Worksheet (in the Forms 1040 and 1040-SR instructions), instead of your tax from Form 1040 or 1040-SR, line 12a; or Form 1040-NR, line 42.

Line 6

Subtract line 5 from line 4 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet and enter the result on this line. This is the tentative tax.

If line 2 is blank, skip lines 7a and 7b and enter the amount from 6 on line 8 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. Also skip the discussion for lines 7a and 7b that follows.

Lines 7a and 7b

If an amount is entered on line 2 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet, divide the tentative tax shown on line 8 among the children according to each child's share of the total net unearned

income. This is done on lines 7a, 7b, and 8. Add the amount on line 2 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet to the amount on line 5 and enter the total on line 7a. Divide the amount on line 5 by the amount on line 7a and enter the result, as a decimal, on line 7b.

Example. In the earlier example under [Line 2 \(Net Unearned Income of Other Children\)](#), Sharon enters \$1,600 on line 2 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. The amount entered on line 7a is \$2,400, the total of the amounts on lines 5 and 2 (\$800 + \$1,600). The decimal on line 7b is 0.333, figured as follows and rounded to three places.

$$\frac{\$800}{\$2,400} = 0.333$$

Line 8

If an amount is entered on line 2, multiply line 6 by the decimal on line 7b and enter the result on line 8. This is the child's share of the tentative tax.

Step 2. Figuring the Child's Tax

The final step in figuring the child's tax is to determine the larger of:

1. The total of:
 - a. The child's share of the tentative tax based on the parent's tax rate, plus
 - b. The tax on the child's taxable income in excess of net unearned income, figured at the child's tax rate, or
2. The tax on the child's taxable income, figured at the child's tax rate.

This is the child's tax. It is figured on lines 6 and 7 (Form 8615) and lines 9, 10, and 11 on the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

Line 6 (Form 8615)

If lines 4 and 5 of Form 8615 are the same, the child's taxable income isn't more than the child's net unearned income. Enter zero on lines 6 (Form 8615) and 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet, and go to line 10 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. Also skip the rest of this discussion and the discussion for line 9 that follows.

If lines 4 and 5 aren't the same, subtract line 5 from line 4 and enter the result on line 6. Then, before completing line 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet, you must determine the amount of net capital gain and qualified dividends, if any, included on line 6.

Net capital gain and qualified dividends on line 6 (Form 8615). If your child doesn't have any net capital gain or qualified dividends, the amount of the net capital gain and qualified dividends included on line 6 is zero.

If your child has net capital gain, the amount of net capital gain included on line 6 is the amount from line 2 of your completed Line 5 Worksheet minus the amount from the last line of that worksheet. (See the earlier discussion for line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.)

If your child has qualified dividends, the amount of qualified dividends included on line 6 is the amount from line 1 of your completed Line 5 Worksheet minus the amount from the next to the last line of that worksheet. (See the earlier discussion of line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.)

Line 9 (2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet)

Figure the tax on the amount on line 6 (Form 8615) using the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or Schedule J (Form 1040 or 1040-SR), as follows.

- If line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet doesn't include any net capital gain or qualified dividends, use the Tax Table or Tax Computation Worksheet (or Schedule J, if applicable) to figure this tax.
- If line 3 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. For details, see the instructions for Form 8615, line 11, of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. However, if the child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. (But use Schedule J instead, if it applies.)

Child files Form 2555. If line 6 (Form 8615) includes any net capital gain or qualified dividends and the child files Form 2555, go to *Using the Schedule D Tax Worksheet for line 9 tax* next to figure the tax on line 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.

Using the Schedule D Tax Worksheet for line 9 tax. Use the Schedule D Tax Worksheet (in the Schedule D instructions) to figure the line 9 tax on the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet if the child has unrecaptured section 1250 gain or 28% rate gain. Don't attach this Schedule D Tax Worksheet to the child's return.

Complete this Schedule D Tax Worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 6.

2. On line 2, enter the qualified dividends included on Form 8615, line 6. (See the earlier discussion for Form 8615, line 6.)
3. Leave lines 3 through 5 blank.
4. Enter the amount from line 2 on line 6.
5. On line 7, enter the net capital gain included on Form 8615, line 6. (See the earlier discussion for Form 8615, line 6.)
6. Skip line 8.
7. Enter the amount from line 7 on line 9.
8. Complete line 10, following the worksheet instructions.
9. On line 11, enter zero if the child has no 28% rate gain (Schedule D, line 18) or unrecaptured section 1250 gain (Schedule D, line 19). Otherwise, see Worksheet 1 for Line 11 of the Schedule D Tax Worksheet — 28% Rate Gain (Line 4 Tax) and Worksheet 2 for Line 11 of the Schedule D Tax Worksheet — Unrecaptured Section 1250 Gain (Line 4 Tax) under [Using the Schedule D Tax Worksheet for line 4 tax](#), earlier. For each worksheet you complete, subtract line 5 of that worksheet from line 1 of that worksheet, and include the result on line 11 of this worksheet.
10. If the child isn't filing Form 2555, skip steps 11, 12, and 13 below, and go to step 14. If the child is filing Form 2555, go to step 11.
11. Determine whether there is a line 6 capital gain excess as follows.
 - a. Subtract from line 2c of your Foreign Earned Income Tax Worksheet the excess, if any, of the amount on line 5 of your Form 8615 over the child's taxable income on Form 1040, line 11b; or Form 1040-NR, line 41.
 - b. Subtract (a) from the amount on line 1 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet.
 - c. Subtract (b) from the amount on line 10 of this Schedule D Tax Worksheet. If the result is more than zero, that amount is the line 6 capital gain excess. If the result is zero or less, there is no line 6 capital gain excess.
12. If there is no line 6 capital gain excess, skip step 13 below and go to step 14.
13. If there is a line 6 capital gain excess, complete a second Schedule D Tax Worksheet as instructed above and in step 14 below but in its entirety and with the following additional modifications. (These modifications are to be made only for purposes of filling out this Schedule D Tax Worksheet.)
 - a. Reduce the amount you would otherwise enter on line 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet (but not below zero) by the line 6 capital gain excess.

- b. Reduce the amount you would otherwise enter on line 1 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet by any of the line 6 capital gain excess not used in (a) above.
- c. If the child has 28% rate gain, reduce the amount you would otherwise enter on line 11, as figured in step 9, (but not below zero) by the line 6 capital gain excess.
- d. If the child has unrecaptured section 1250 gain, reduce the amount you would otherwise enter on line 11, as figured in step 9, (but not below zero) by the line 6 capital gain excess not used in (c) above.

14. Complete lines 12 through 47 following the worksheet instructions. Use the child's filing status to complete lines 15, 44, and 46.

Enter the amount from line 47 of this Schedule D Tax Worksheet on line 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. Don't attach this worksheet to your return.

Using Schedule J (Form 1040 or 1040-SR) for line 9 tax. If Schedule J applies, use it as a worksheet to figure the tax to enter on line 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. On line 1 of this worksheet, enter the amount from Form 8615, line 6. Complete lines 2a through 23 following the Schedule J instructions. Use the child's filing status to complete lines 4, 8, 12, and 16.

Enter the amount from line 23 of this worksheet Schedule J on line 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet. Don't attach this worksheet to the child's return.

Line 10

Add lines 8 and 9 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet and enter the total on line 10. This is your child's tax figured at the parent's rate on net unearned income and the child's tax rate on other income.

Line 11

Figure the tax on the amount on line 4. Use the Tax Table, the Tax Computation Worksheet, the Qualified Dividends

and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or the child's actual Schedule J (Form 1040 or 1040-SR), whichever applies. Enter the tax amount on line 11.

Child files Form 2555. If your child files Form 2555 and has a net capital gain or qualified dividends, figure the tax using the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet, whichever applies. To fill out that worksheet, follow the instructions in the footnote to the Foreign Earned Income Tax Worksheet (in the Forms 1040 and 1040-SR instructions).

Line 12

Enter on line 12 the larger of line 10 or line 11. Also enter this amount on line 7 (Form 8615) and on the child's Form 1040, line 12a; or Form 1040-NR, line 42. This is the child's tax.

Child files Form 2555. If your child files Form 2555, don't enter the amount from line 12 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet on the child's Form 1040, line 12a; or Form 1040-NR, line 42. Instead, enter the amount from line 12 of the 2019 Tentative Tax Based on the Tax Rate of Your Parent Tax Worksheet on line 4 of the child's Foreign Earned Income Tax Worksheet. Then complete the rest of the Foreign Earned Income Tax Worksheet (in the Forms 1040 and 1040-SR instructions) to figure the child's tax.

Alternative Minimum Tax (AMT)

A child may be subject to AMT if he or she has certain items given preferential treatment under the tax law. These items include accelerated depreciation and certain tax-exempt interest income. The AMT may also apply if you have passive activity losses or certain distributions from estates or trusts.

For more information on who is liable for AMT and how to figure it, see Form 6251.

Glossary

Adjusted gross income. Gross income (defined later) minus adjustments to income (defined next).

Adjustments to income. Deductions that are subtracted from gross income in figuring adjusted gross income. They include deductions for moving expenses, a penalty on early withdrawal of savings, and contributions to an individual retirement arrangement (IRA). Adjustments to income can be taken even if itemized deductions (defined later) aren't claimed.

Alternative minimum tax (AMT). A tax designed to collect at least a minimum amount of tax from taxpayers who benefit from the tax laws that give special treatment to certain kinds of income and allow deductions and credits for certain kinds of expenses.

Capital gain distribution. An allocated amount paid to, or treated as paid to, a shareholder by a mutual fund, regulated investment company, or real estate investment trust from its net realized long-term capital gains. This amount is in addition to any ordinary dividend paid to the shareholder. You will receive a statement from the payer if this applies to you.

Dependent. A person, other than the taxpayer or the taxpayer's spouse, you can claim on your return. To be your dependent, a person must be your qualifying child or qualifying relative (both defined later). For more information, see *Dependents* in Pub. 501.

Earned income. Salaries, wages, tips, professional fees, and other amounts received as pay for work actually performed.

For purposes of determining a dependent's standard deduction, earned income also includes any part of a scholarship or fellowship grant that the dependent must include in his or her gross income.

For purposes of completing Form 8615, earned income also includes a taxable distribution from a qualified disability trust. It doesn't include unearned

income as defined earlier under *Line 1 (Unearned Income)*.

Exemption. The deduction for personal exemptions is suspended (equal to \$0) for tax years 2018 through 2025. Although you can't claim a deduction for exemptions, your eligibility to claim an exemption for a child or qualifying relative remains important to determine your eligibility to claim the child tax credit, the additional child tax credit, and the credit for other dependents, as well as other tax benefits.

Full-time student. A full-time student is a child who during some part of each of any 5 calendar months of the year was enrolled as a full-time student at a school, or took a full-time on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It doesn't include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Gross income. All income from all sources that isn't exempt from tax and must be included on your tax return. Gross income is the total of your earned and unearned income.

For purposes of determining whether you must file a return, gross income includes gain from the sale of your main home (even if you can exclude part or all of it) and includes income earned outside the United States (even if you can exclude part or all of it).

Itemized deductions. Deductions allowed on Schedule A (Form 1040 or 1040-SR) for medical and dental expenses, taxes, home mortgage interest and investment interest, charitable contributions, and casualty and theft losses. They are subtracted from adjusted gross income in figuring taxable income. Itemized deductions can't be claimed if the standard deduction is chosen.



For tax years 2018 through 2025, miscellaneous itemized deductions are suspended and not deductible.

Net capital gain. The excess of net long-term capital gain over any net short-term capital loss. For 2019, this is the smaller of the gain on line 15 or the gain on line 16 of Schedule D (Form 1040 or 1040-SR). If Schedule D (Form 1040 or 1040-SR) isn't required, net capital gain is the amount of capital gain distributions on Form 1040 or 1040-SR, line 6; or Form 1040-NR, line 14.

Net unearned income. The total of all unearned income (other than tax-exempt income) reduced by the sum of:

1. Any adjustments to income (defined earlier) that are related to the unearned income, plus
2. \$2,200.

Qualified dividends. Dividends eligible for the lower tax rates that apply to a net capital gain. They are reported to you in box 1b of Form 1099-DIV. You report them on Form 1040 or 1040-SR, line 3a; or Form 1040-NR, line 10b. For more information, see Pub. 550.

Qualifying child. To be your dependent (defined earlier), a person must be either your qualifying child or your qualifying relative (defined next). Generally, a person is your qualifying child if that person:

- Is your child, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them;
- Lived with you for more than half of the year;
- Didn't provide more than half of his or her own support for the year;
- Was under age 19 at the end of the year and younger than you (or your spouse if filing jointly) (or was under age 24 at the end of the year, a student, and younger than you (or your spouse if filing jointly), or was

any age and permanently and totally disabled); and

- Didn't file a joint return with his or her spouse.

For details, see *Dependents* in Pub. 501.

Qualifying relative. To be your dependent (defined earlier), a person must be either your qualifying child (defined earlier) or your qualifying relative. Generally, a person is your qualifying relative if that person:

- Lives with or is related to you,
- Has less than \$4,200 of gross (total) income,
- Is supported (generally more than 50%) by you, and
- Is neither your qualifying child nor the qualifying child of anyone else.

For details, see *Dependents* in Pub. 501.

Standard deduction. An amount that can be subtracted from adjusted gross

income in figuring taxable income. The standard deduction isn't used if itemized deductions are claimed.

Support. All amounts spent to provide the child with food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities. To figure your child's support, count support provided by you, your child, and others. However, a scholarship received by your child isn't considered support if your child is a full-time student. See Pub. 501 for details.

Tax year. The time period covered by a tax return. Usually, this is January 1 to December 31, a calendar year, but taxpayers can elect a fiscal tax year with different beginning and ending dates.

Taxable income. Gross income minus any adjustments to income and either itemized deductions or the standard deduction.

Unearned income. Income other than earned income. This is investment-type income and includes interest, dividends, and capital gains (including capital gain distributions),

rents, royalties, etc. Distributions of interest, dividends, capital gains, and other unearned income from a trust are also unearned income to a beneficiary of the trust. However, for purposes of completing Form 8615, a taxable distribution from a qualified disability trust is considered earned income.

Unrecaptured section 1250 gain. Generally, any part of your net capital gain from selling section 1250 property (real property) that is due to depreciation. For details, see Pub. 550.

28% rate gain. Gain from the sale of collectibles and, generally, the taxable part of your gain from the sale of qualified small business stock held more than 5 years. For details, see the Instructions for Schedule D (Form 1040 or 1040-SR).

How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) and find resources that can help you right away.

Preparing and filing your tax return. After receiving your wage and earning statements (Form W-2, W-2G, 1099-R, 1099-MISC) from all employers and interest and dividend statements from banks (Forms 1099), you can find free options to prepare and file your return on [IRS.gov](https://www.irs.gov) or in your local community if you qualify.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax


help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to [IRS.gov](https://www.irs.gov) to see your options for preparing and filing your return, which include the following.

- **Free File.** Go to [IRS.gov/FreeFile](https://www.irs.gov/FreeFile) to see if you qualify to use brand-name software to prepare and e-file your federal tax return for free.
- **VITA.** Go to [IRS.gov/VITA](https://www.irs.gov/VITA), download the free IRS2Go app, or call 800-906-9887 to find the nearest VITA location for free tax return preparation.
- **TCE.** Go to [IRS.gov/TCE](https://www.irs.gov/TCE), download the free IRS2Go app, or call 888-227-7669 to find the nearest

TCE location for free tax return preparation.

Employers can register to use Business Services Online. The SSA offers online service for fast, free, and secure online W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Forms W-2, Wage and Tax Statement, and Forms W-2c, Corrected Wage and Tax Statement. Employers can go to [SSA.gov/employer](https://ssa.gov/employer) for more information.

 **Getting answers to your tax questions.** On [IRS.gov](https://www.irs.gov), get answers to your tax questions anytime, anywhere.

- Go to [IRS.gov/Help](https://www.irs.gov/Help) for a variety of tools that will help you get answers to some of the most common tax questions.

- Go to [IRS.gov/ITA](https://www.irs.gov/ITA) for the Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide answers. You can print the entire interview and the final response for your records.
- Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to search for our forms, instructions, and publications. You will find details on 2019 tax changes and hundreds of interactive links to help you find answers to your questions.
- You may also be able to access tax law information in your electronic filing software.

Tax reform. Tax reform legislation affects individuals, businesses, tax-exempt and government entities. Go to [IRS.gov/TaxReform](https://www.irs.gov/TaxReform) for information and updates on how this legislation affects your taxes.

IRS social media. Go to [IRS.gov/SocialMedia](https://www.irs.gov/SocialMedia) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are paramount. We use these tools to share public information with you. **Don't** post your social security number or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos](https://www.youtube.com/irsvideos).
- [Youtube.com/irsvideosmultilingua](https://www.youtube.com/irsvideosmultilingua).
- [Youtube.com/irsvideosASL](https://www.youtube.com/irsvideosASL).

Watching IRS videos. The IRS Video portal ([IRSVideos.gov](https://www.irs.gov/IRSVideos)) contains video and audio presentations for individuals, small businesses, and tax professionals.

Getting tax information in other languages. For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on [IRS.gov](https://www.irs.gov) in the following languages.

- [Spanish \(IRS.gov/Spanish\)](https://www.irs.gov/Spanish).

- [Chinese \(IRS.gov/Chinese\)](https://www.irs.gov/Chinese).
- [Korean \(IRS.gov/Korean\)](https://www.irs.gov/Korean).
- [Russian \(IRS.gov/Russian\)](https://www.irs.gov/Russian).
- [Vietnamese \(IRS.gov/Vietnamese\)](https://www.irs.gov/Vietnamese).

The IRS Taxpayer Assistance Centers (TACs) provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all of the forms, instructions, and publications you may need. You can also download and view popular tax publications and instructions (including the 1040 and 1040-SR instructions) on mobile devices as an eBook at no charge at [IRS.gov/eBooks](https://www.irs.gov/eBooks). Or you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have them mailed to you within 10 business days.

Access your online account (individual taxpayers only). Go to [IRS.gov/Account](https://www.irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe, pay online, or set up an online payment agreement.
- Access your tax records online.
- Review the past 24 months of your payment history.
- Go to [IRS.gov/SecureAccess](https://www.irs.gov/SecureAccess) to review the required identity authentication process.

Using direct deposit. The fastest way to receive a tax refund is to combine direct deposit and IRS *e-file*. Direct deposit securely and electronically transfers your refund directly into your financial account. Eight in 10 taxpayers use direct deposit to receive their refund. The IRS issues more than 90% of refunds in less than 21 days.

Getting a transcript or copy of a return. The quickest way to get a copy of your tax transcript is to go to [IRS.gov/Transcripts](https://www.irs.gov/Transcripts). Click on either "Get Transcript Online" or "Get Transcript by Mail" to order a copy of your transcript. If you prefer, you can order your transcript by calling 800-908-9946.

Using online tools to help prepare your return. Go to [IRS.gov/Tools](https://www.irs.gov/Tools) for the following.

- The [Earned Income Tax Credit Assistant \(IRS.gov/EITCAssistant\)](https://www.irs.gov/EITCAssistant) determines if you're eligible for the EIC.
- The [Online EIN Application \(IRS.gov/EIN\)](https://www.irs.gov/EIN) helps you get an employer identification number.
- The [Tax Withholding Estimator \(IRS.gov/W4app\)](https://www.irs.gov/W4app) makes it easier for everyone to pay the correct amount of tax during the year. The Estimator replaces the Withholding Calculator. The redesigned tool is a convenient, online way to check and tailor your withholding. It's more user-friendly for taxpayers, including retirees and self-employed individuals. The new and improved features include the following.
 - Easy to understand language;
 - The ability to switch between screens, correct previous entries, and skip screens that don't apply;
 - Tips and links to help you determine if you qualify for tax credits and deductions;
 - A progress tracker;
 - A self-employment tax feature; and
 - Automatic calculation of taxable social security benefits.
- The [First Time Homebuyer Credit Account Look-up \(IRS.gov/HomeBuyer\)](https://www.irs.gov/HomeBuyer) tool provides information on your repayments and account balance.
- The [Sales Tax Deduction Calculator \(IRS.gov/SalesTax\)](https://www.irs.gov/SalesTax) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040 or 1040-SR), choose not to claim state and local income taxes, and you didn't save your receipts showing the sales tax you paid.

Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes

any type of electronic communication, such as text messages and social media channels.

- Go to [IRS.gov/IDProtection](https://www.irs.gov/IDProtection) for information.
- If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, visit [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft) to learn what steps you should take.

Checking on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- The IRS can't issue refunds before mid-February 2020 for returns that claimed the EIC or the ACTC. This applies to the entire refund, not just the portion associated with these credits.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

Making a tax payment. The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or Credit Card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax return preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or Money Order:** Mail your payment to the address listed on the notice or instructions.

- **Cash:** You may be able to pay your taxes with cash at a participating retail store.
- **Same-Day Wire:** You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and cut-off times.

What if I can't pay now? Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](https://www.irs.gov/OPA) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](https://www.irs.gov/OIC).

Checking the status of an amended return. Go to [IRS.gov/WMAR](https://www.irs.gov/WMAR) to track the status of Form 1040-X amended returns. Please note that it can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

Understanding an IRS notice or letter. Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

Contacting your local IRS office. Keep in mind, many questions can be answered on IRS.gov without visiting an IRS Taxpayer Assistance Center (TAC). Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is TAS?

TAS is an **independent** organization within the IRS that helps taxpayers and protects taxpayer rights. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](https://www.irs.gov/advocate).

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](https://www.irs.gov/advocate) to help you understand [what these rights mean to you](https://www.irs.gov/advocate) and how they apply. These are **your** rights. Know them. Use them.

What Can TAS Do For You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices [in every state, the District of Columbia, and Puerto Rico](https://www.irs.gov/advocate). Your local advocate's number is in your local directory and at [TaxpayerAdvocate.IRS.gov/Contact-Us](https://www.irs.gov/advocate). You can also call them at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to them at [IRS.gov/SAMS](https://www.irs.gov/SAMS).

TAS also has a website, [Tax Reform Changes](https://www.irs.gov/TaxReformChanges), which shows you how the new tax law may change your future tax filings and helps you plan for these changes. The information is categorized by tax topic in the order of the IRS Form 1040 or 1040-SR. Go to [TaxChanges.us](https://www.irs.gov/TaxChanges.us) for more information.

TAS for Tax Professionals

TAS can provide a variety of information for tax professionals, including tax law updates and guidance, TAS programs, and ways to let TAS know about systemic problems you've seen in your practice.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS,

such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. To find a clinic near you, visit [IRS.gov/LITC](https://www.irs.gov/LITC) or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](https://www.irs.gov/LowIncomeTaxpayerClinicList).



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